

# *Making Smarter Bank Tech Decisions:* **Aligning Technology with Bank Strategy**

Insights from GSB's Bank Technology Management School



# Executive Summary

Banks don't fail because of hackers, budget cuts, or regulators. Often, they fail quietly when technology decisions drift out of alignment with business priorities, risk tolerance, or long-term strategy.

## <50%

### Alignment

Less than half of enterprise digital initiatives meet or exceed their intended business outcomes ([Gartner, 2025](#)), highlighting just how common this misalignment can be.

At the [GSB Bank Technology Management School](#), we help IT leaders evolve from reactive problem-solvers into trusted strategic partners.

A critical component of this transition is mastering the **IT Strategic Planning Hierarchy**.



## 1. The Hierarchy of Planning

To ensure your technology investments support bank and broader business goals, planning should follow a clear cascade:

- **The Bank Strategic Plan (*The "Why"*)**
  - This sets the direction. If the bank's goal is to expand its customer base or improve operational efficiency, technology initiatives should directly support that outcome.
- **The IT Strategic Plan (*The "How": 3–5 Years*)**
  - This multiyear roadmap guides decisions related to budgeting, board reporting, and risk management.
- **The Tactical Plan (*The "Now": 1 Year*)**
  - These are the specific steps, personnel assignments, and tool implementations needed to achieve the strategic goals.

Insight: If you buy software before defining the business objective it supports, it may not be effective.

## 2. The Information Security Program (ISP) Ecosystem

Strategic IT leadership means recognizing that information security is not a single control or tool — it is an interconnected ecosystem. In GSB's Bank Technology Management School curriculum, we utilize a risk-driven model designed to promote consistency, clarity, and accountability:

1. **Risk assessments:** The foundation — cannot protect what isn't measured
2. **Policies:** High-level rules derived from risk assessments (e.g., vendor management policy)
3. **Programs:** The operationalization of policy (e.g., vendor management program)
4. **Deliverables:** Tangible evidence of the program (e.g., vendor reviews, access logs)
5. **Reporting:** The feedback loop to the board and IT committee

### 3. Moving from Inherent to Residual Risk

Strategic planning also requires thoughtful consideration of risk appetite. We introduce a simple but powerful formula to evaluate risk-based decisions:

*IT Asset x Threat = Inherent Risk*

*Inherent Risk – Mitigating Controls = Residual Risk*

The Challenge: Are you spending your budget on the "bleeding edge" (high risk, high reward) or the conservative (low risk, delayed reward) side of the spectrum — and does your IT strategic plan clearly communicate this stance to align with the board's risk appetite?

## Ready to Lead the Future of Banking Technology?

The concepts outlined above represent just a fraction of what is covered at [GSB's Bank Technology Management School](#). Join us to master the intersection of technology, security, and business leadership.



**Chad Knutson** is lead faculty for the GSB Bank Technology Management School and CEO of SBS CyberSecurity. SBS CyberSecurity helps financial institutions and fintech leaders make confident cybersecurity decisions.

**Learn more or enroll at [gsb.org/banktech](https://gsb.org/banktech)**

Bank Technology Management School

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**Elizabeth Foste**

*Vice President of Alumni  
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